



STATE OF RHODE ISLAND

**ENERGY EFFICIENCY &  
RESOURCE MANAGEMENT COUNCIL**

## **EXECUTIVE COMMITTEE MINUTES**

**Thursday, August 25, 2016 | 1:00 - 2:30 PM**

Conference Room B, 2<sup>nd</sup> Floor, Dept. of Administration, One Capitol Hill, Providence, RI

---

**In Attendance:** Abigail Anthony, Michael Baer, Marisa Desautel, Jeff Diehl, Mike Guerard, Carol Grant, Jeremy Newberger, Scudder Parker, Chris Powell, Rachel Sholly, Nick Ucci

### **1. Call to Order**

Chairman Chris Powell called the meeting to order at 1:05 PM.

### **2. Approval of Meeting Minutes**

Abigail Anthony made a motion to approve the minutes. Chris Powell seconded and all approved.

### **3. Executive Director Report**

Commissioner Carol Grant reported that she had just returned from vacation and the team has been getting her up to speed. The Office of Energy Resources (OER) received a grant to work with a few states on building labeling efforts, which will be described more at the full Council meeting.

### **4. Policy and Planning Issues**

#### *a) Savings Targets Development and Standards Revision Update*

The consultant team reminded the Committee that the final standards and targets will be presented to the EERMC in December for approval to submit to the Public Utilities Commission, with previews being available in advance. The working group continues to meet weekly. The group has worked closely with National Grid to develop an estimate of how the core programs project out to 2020, which will set a platform of savings. Then they will do a deeper look at a range of “dial turners” beyond the core programs, including standards, and how they should impact targets. Ms. Anthony asked if there were any particular sticking points. Mr. Guerard said that this is an interesting time and trying to manage the workload and coordinate schedules has been a bit challenging, but they are managing as best they can. Ms. Anthony asked what information will be contained in the targets proposal. Mr. Guerard said that the core assumptions and the expected impacts of the supplemental list will be given thorough explanation to Council members, while the more detailed information will be reserved for questions. Chairman Powell asked if there are any new “dial turners” that did not exist when the last set of targets was developed. Mr. Guerard said yes, referencing new National Grid pilot programs and evolving program design practices, such as pay-for-performance models. Chairman Powell asked if continuous commissioning has been taken into consideration. Mr. Guerard said that they are trying to include it in the core assumptions, but the key question will be whether it could increase even more in the near future. Mr. Newberger expressed concern about proposing targets that assume the PUC will approve the standards. Ms. Anthony said that the Council is proposing targets that align with the standards. If the standards are rejected, the Council can ask for the opportunity to revise the targets. Scudder Parker noted that the working group met with the PUC and Synapse last week. The meeting was very positive and the group will meet again in November when a draft is ready for review.

## **5. Updates on Energy Efficiency Programs and System Reliability Procurement**

### *a) Discussion of Draft 2017 Energy Efficiency Program Plan*

The consultant team is working on comments to the first draft of the 2017 Plan. They are still processing recent Collaborative discussions, but one area that needs more clarity is the cost-efficiency of the Plan. A more comprehensive look at things like past costs and costs in neighboring jurisdictions will help to better understand the impacts to the overall budget and to the System Benefit Charge (SBC). Chairman Powell asked about major comments expressed at the Collaborative meeting.

Mr. Guerard reported that the level of funding proposed for the delivered fuels program (\$1.3M for single family and \$500K for multifamily) did not seem to have any resistance. There was confirmation that the incentive levels will remain at 25% versus 75% as in the gas program. There was discussion of increasing the incentive to 50%, but then the program could only serve half as many customers. Nick Ucci noted that he asked Angela Li to look at the potential impacts of increasing the incentive level. Chairman Powell asked what the argument is for increasing the incentive. Mr. Guerard said that it might help close rates, as customers might be more likely to participate in the program if the incentive is higher. Ms. Anthony noted that one of the key reasons why Massachusetts is supporting delivered fuels programs through their electric SBC is because they do not have a psychological cap on their SBC. In reality, Rhode Island is dealing with a fixed pie for its electric budget even though by law we do not have one. Therefore, if we want to spend more on oil we have to take it from the electric budget. Whereas in MA, they do not have a fixed pie and can increase both electric funding and oil funding at the same time. Mr. Newberger felt that there are other vehicles that should be supported by the Council, including resolving residential PACE issues and figuring out a way to allocate the charge more equitably as was tried with recent legislation.

The other major item was the finance discussion. National Grid had requested \$7 million for its on-bill repayment (OBR) revolving loan fund and the Rhode Island Infrastructure Bank (RIIB) had requested \$5 million to capitalize Round 2 of the Efficient Buildings Fund (EBF). The first draft of the Plan included \$5 million for National Grid and \$2.5 million plus \$500,000 from revolved funds from the Rhode Island Public Energy Partnership (RIPEP). Jeff Diehl, the Executive Director of RIIB, explained that its financial advisors have said that the Bank can leverage \$25-\$30 million in efficiency projects with \$5-\$7 million of capital. OER will provide \$2 million from the Regional Greenhouse Gas Initiative (RGGI). The total demand for EBF Round 2, including renewables, is likely to be approximately \$40 million.

Ms. Anthony asked if the Dunskey memo conclusions will be included in the Council's comments on the Plan. Mr. Guerard said yes and the consultant team would like to preview those comments to get a sense of appropriateness. The caveat is that information is still coming in, so the consultant team is not yet prepared to make a categorical recommendation. Mr. Newberger added that Dunskey's memo is inconsistent with some of what National Grid has shared. Mr. Guerard said that if OBR does not receive an injection, the loan balance will be depleted by 2019 and a larger injection would be needed in 2018.

The draft Plan will be presented to the Council on September 8<sup>th</sup>. Ms. Anthony suggested that the consultant team produce a memo to be distributed to all Council members as soon as possible before the September 8<sup>th</sup> meeting. The memo should summarize key issues in the Plan, recommendations already made to National Grid, any unresolved issues, areas that require Council feedback and perhaps program highlights.

## **6. Council Business**

### *a) Budget Update*

Mr. Guerard explained that the consultant team has seen additions to its original scope of work, including the acceleration of the standards work, participating in the proceedings of Docket #4600 and planning the member retreat. The consultant team estimated an additional 300 hours needed and requested that the Committee support a supplemental budget of up to \$55,000. The supplemental funds would be available if needed but the consultant team would continue to manage the budget carefully and efficiently. Rachel Sholly reported that the Council has \$269,000 of unallocated funds in its budget. Mr. Newberger asked if these funds would support additional hours of the existing team or additional team members. Mr. Parker said it will likely be a combination. The Committee recommended bringing this request to the full Council for a vote.

### *b) Member Retreat Planning & Meeting Calendar*

The Committee supported the proposal to postpone the retreat date to October and combine the retreat with a shorter business meeting. Ms. Sholly will send out a Doodle poll to find the best date.

### *c) Finalize EERMC Meeting Agenda*

The Committee finalized the agenda for the full Council meeting in two weeks, giving the bulk of the time to discussion on the draft Plan.

## **7. Public Comment**

There was no public comment.

## **8. Adjournment**

Ms. Anthony made a motion to adjourn. Chairman Powell seconded and the meeting was adjourned at 2:30 PM.